

Construction Industry

A Photo Essay Guide for the Woodframe Industry in Washington



Classification Guide



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Prepared by:

Classification Services Section

Washington Department of Labor and Industries

P.O. Box 44148

Olympia, WA 98504-4148

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Preface

This manual was compiled by the Classification Services section, Insurance Services Division, Department of Labor and Industries, to assist contractors in the proper classification of work being performed by their employees on new wood-frame building construction projects. As of the date of publication, the classification captions and reference numbers are correct. Since the Washington Administrative Codes (WAC's) are subject to occasional revisions, you may wish to verify the classification(s) you intend to use.

The intent of this manual is to serve as a guide only, and is not meant to supersede Chapter 296-17 of the Washington Administrative Code. If you are uncertain of the classification for any part of your operation or need further assistance, please contact the nearest L&I office. A listing of the phone numbers and addresses of our service locations are in Appendix V, or contact our Employer Services Section in Tumwater at **360-902-4817**.

Introduction

This manual deals exclusively with operations associated with new wood-frame building construction. A wood-frame building (for workers' compensation insurance purposes underwritten by the Washington State Fund) is defined as a building whose support structure is constructed from wood or wood products. The support structure includes floor joists, subfloors, exterior walls, interior bearing walls, and roof trusses or rafters.

Wood-frame buildings are constructed for either residential or commercial purposes. The end use of a building is not a contributing factor in determining the proper classification assignment. Also, no distinction is made between the size of a building, number of stories, or whether it is a single or multiple unit building, provided the structural support is of wood or wood products.

A non-wood-frame building's primary structural support would be constructed from iron, steel, concrete, masonry, or similar materials. Even though the floors, wall, and ceiling may include wood or wood products as part of the building, it does not meet the definition as described above for wood-frame building construction projects which is the primary intent of this manual.

This manual is formatted in a chronological order to illustrate the various phases associated with wood-frame construction operations. The main phases are:

- **Site Preparation**
- **Foundation and Flatwork**
- **Framing the Structure**
- **Utility Construction**
- **Enclosing the Structure**
- **Interior Finish Work**
- **Finishing the Site**
- **Miscellaneous Operations**

In addition, special sections are included in the appendices of this manual. Provided are the "Special Construction Industry Rule", Safety Precautions, Risk Management Services, Toll-Free Telephone Numbers, Statewide Service Locations (addresses and phone numbers), and a Contractor Cross Reference Sheet.



Single Family



Four-Plex



Apartment Complex

Overview

Classifying the Construction Industry

The general classification policy for all businesses (with few exceptions) is to assign a basic classification that covers an employer's entire business operation and the various occupations used by the employer within the business. Examples of such exceptions which may be excluded from a businesses' basic classification(s) could involve employees who have no other duties and perform work exclusively as clerical, outside sales, pre-occupancy cleanup (after the completion of a new building), duties in a permanent yard or shop, security guards at a construction site (during non operational hours), etc.

In some cases, employers are assigned several classifications because they are involved in multiple business operations which are independent of each other and have different degrees of risks. A single classification would discriminate unfairly against these businesses and place them at a disadvantage with competing businesses. The classification policy within construction industries is consistent with noncontracting businesses.

For contractors engaged in a single operation at a job site or location, such as plumbing or electrical work, a single classification for the entire business operation applies. For construction contractors engaged in multiple operations (several phases of construction) at a job site or location, the classification procedure for construction may produce several classifications for the work being performed. A copy of the rule covering this policy can be found under Appendix I, "Building Construction" rule.

As part of this rule, the department may (upon written request by a contractor prior to the start of a construction project) authorize the use of a single basic classification in which to report a contractor's entire construction crew(s) as part of a specific building project. Requests for such classification should be sent to our Employer Services section in Olympia or call 360-902-4817 for more details.

Selection of the basic classification will be determined by estimating the work hours for each construction operation at the site or location, and calculating the premiums by each applicable classification. Total estimated premiums will then be divided by the total estimated hours to produce an average rate. The basic classification assigned to the employer that carries the rate nearest to the estimated average rate will be selected. If the estimated average rate is equally between two potential classifications, the lower of the two rates will be selected.

Separate classifications may also be assigned, depending on which type of contractor (general or specialty) performs the work. These differences will be discussed under the appropriate construction operation text. Briefly, the department defines a "general contractor" as a contractor who is engaged in more than two trades or crafts, whereas a "specialty contractor" is limited to no more than two unrelated trades or crafts.

As multiple classifications may be assigned to a construction contractor, extra care must be taken in recording the worker hours for the various phases of the project. Failure to maintain complete and accurate records can result in higher premium costs to the contractor, as the work may be assigned to the highest-rated classification which applies to the project. Subsequent pages list the record-keeping requirements for businesses.

In the construction industry, it is essential that accurate records be left showing the hours of each worker in each phase of the construction project. Without these records, the entire hours of the workers whose records do not show the separate hours worked for each classification will be assigned to the highest-rated classification which applies to the job site.

Record Keeping Requirements

To comply with Industrial Insurance laws, the following records should be retained for 3 years and 3 months at the start of each construction phase your business performs as part of a project (also see Appendix I, "Coverage Requirements"):

1. Ownership records

Your firm should have documents to verify the structure of your company. These records could be partnership agreements; articles of incorporation, bylaws and minutes of board meetings, shareholder certificates; Master Business License; Contractors Registration; Certificate of Industrial Insurance coverage; and IRS income tax returns.

2. Payroll records

- a. Original time cards or books identifying the name of the worker, his/her social security number, date of work performed, type of work performed, and the number of hours worked by phase of construction.
- b. Individual earnings records for each worker which includes name and address of worker, rate of pay, dates work performed, hours worked and totaled by quarter, gross wages earned, payroll deductions, date of payment, check number, and net amount paid.

3. Check register or cash disbursements journal

This record should show name of payee, reason for payment, date of payment, amount paid, check number, bank statements, and canceled checks (if returned to you from your bank).

4. Contracts and invoices

- a. Contracts made between your firm and general contractors, sub-contractors or owners performing project.
- b. Invoices in support of your cash disbursements which includes name of payee, date of service, and a brief explanation of type of service performed.

5. Quarterly and annual governmental reports

- a. Labor and Industries payroll reports
- b. Employment Security payroll reports
- c. Department of Revenue reports
- d. IRS quarterly reports
- e. IRS annual tax returns with schedules
- f. W-2s and 1099s

6. Subcontractor information

- a. Name and address of each subcontractor
- b. Type of work performed
- c. Date of work performed and amount paid
- d. Subcontractor's Labor and Industries contractors registration or license number and expiration date.
- e. Subcontractor's UBI or Labor and Industries account number.

NOTE: You should be aware that every person you hire, the essence of your agreement being his/her personal labor, is considered to be your worker and hours must be reported to the Department of Labor and Industries unless he or she is conducting a legitimate business, offering his/her services to the public, holds all required licenses, and is filing as a business tax return with the IRS.

At the time of audit, or within 30 days thereafter, the general contractor or specialty contractor (as the case may be) who has subcontracted work out to others must provide the department's auditors, agents, or assistants a list of the names of such subcontractor, their contractor's registration or license number, and their unified business identifier (UBI) and industrial insurance account number. Failure by the general contractor or specialty contractor to provide these records at the time of audit may result in a premium assessment being made for each subcontractor used by the general contractor or specialty contractor.

Workers whom you hire on an intermittent basis, casual labor, or temporary help are all covered workers, regardless of how few hours are worked, and their hours must be reported for industrial insurance.

Site Preparation

Site preparation encompasses the various operations necessary to transform the land into a suitable building site. Activities include logging, blasting, building demolition and grading operations.

I. Logging

The primary purpose of logging is to remove timber products from the potential building site. This includes the falling of trees, limbing (removing the branches), bucking (sawing the tree into shorter lengths for transportation), yarding or skidding (bringing the logs to a central landing or loading site), and loading of the logs onto a log truck.

OPERATION	CLASS
Logging by logging contractor	5001
Logging by construction contractor	5001
Logging machine operator by logging or construction contractor	0101
Log truck drivers *	5003

*(Note: Classification 5003 applies only to drivers with no other duties during their work shift.)

II. Blasting

This is applicable only to blasting in connection with land-clearing operations. See building demolition for blasting activities related to the removal of existing structures.

OPERATION	CLASS
Blasting by excavation contractor	0101
Blasting by specialty contractor	0103



Logging for site preparation

III. Building Demolition

The classification for this operation covers all employments associated with the tearing down or demolition of an existing building regardless of the type of contractor or method used (i.e., explosives, mechanical demolition

using heavy equipment, or by hand tools). Also included is the burning or hauling away of the debris.

OPERATION	CLASS
Building demolition	0518



Back fill



Grading land

usually occur after the timber products (logs) are removed from the potential building site by a logging contractor. These are also distinguished from a landscaping operation which is normally performed after the building has been constructed, and does not alter the contour of the land.

IV. Land Clearing/Grading

Land clearing includes stripping and removing all vegetation from the potential building site, and grading includes changing and contouring the land to meet the construction requirements and/or esthetic purposes. The operations of land clearing and grading

OPERATION	CLASS
Excavation/Grading	0101
Removal of excavated material:	
by excavation contractor	0101
by hauling contractor	1102

Foundation & Flatwork

This section deals with the locating and setting of foundations; constructing sidewalks, driveways, and culverts; and waterproofing activities.

I. Locating Foundation

The classification assigned to this activity is dependent upon the contractor who performs this work. On occasion, this activity is performed by a land surveying company in which a nonconstruction classification is assigned, because the business will perform other surveying activities other than locating a foundation site.

OPERATION	CLASS
Locating the foundation by excavation contractor	0101
Locating the foundation by general contractor	0510
Locating the foundation by foundation contractor	0217

II. Excavation

This classification is used to cover excavation operations by contractors and includes such activities as: stripping topsoil and back filling, blasting to remove large rocks, removal of brush and general cleaning of the site, and digging the hole for the building foundation.

OPERATION	CLASS
Excavation*	0101
Removal of excavated material:	
by excavation contractor	0101
by hauling contractor	1102

*(Note: Classification 0101 also applies to digging holes or trenches for drainage systems, water mains, sewer lines, septic tanks, etc., when performed as part of the land excavation project.)



Staking out the foundation



Clearing and stripping



Digging for foundation

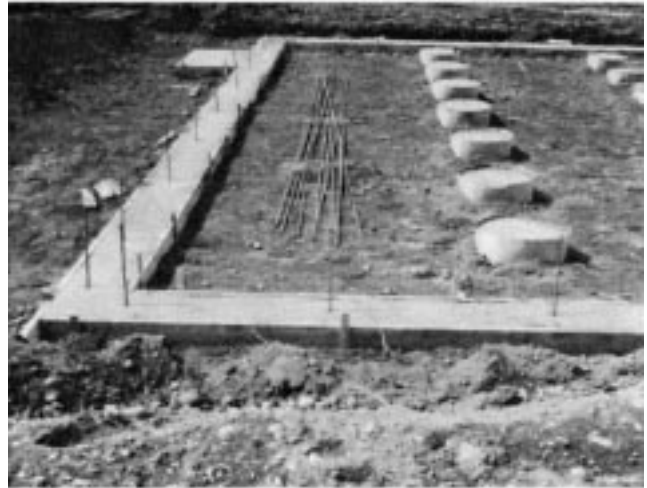


Foundation site

III. Setting Foundation

The foundation work will normally involve carpentry activities such as the placement and stripping of concrete forms which is considered an integral part of the concrete construction operation. In addition, the pouring of the concrete footings and walks, as well as the placement of rebar when necessary, are all included within the concrete construction classification when performed by either the construction contractor or concrete subcontractor.

OPERATION	CLASS
Concrete foundation work (includes form construction, placement and stripping, footing and wall construction, and placement of rebar and finishing work).	
by general contractor	0217
by concrete subcontractor	0217
Brick or natural stone foundation work	0302
Reinforced steel installation	
by specialty contractor	0217

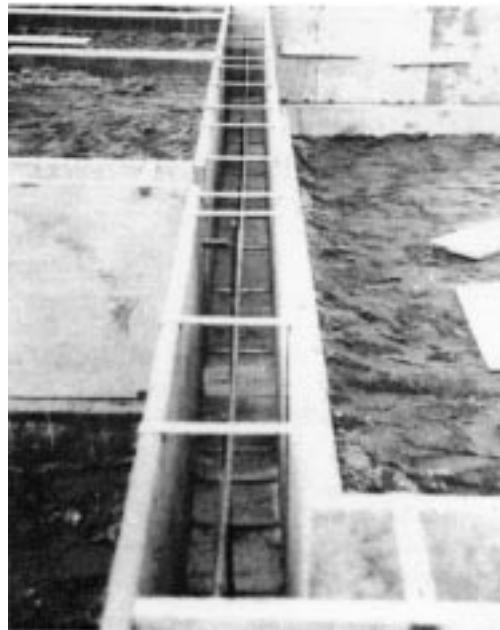


**Footing with stemwall rebar
(safety violation)**

WAC 296-155-680-7a for reinforcing steel requires rebar to be capped with a protective covering or bent horizontal to eliminate the potential for injury.



Completed foundation



Stemwall forms

IV. Flatwork

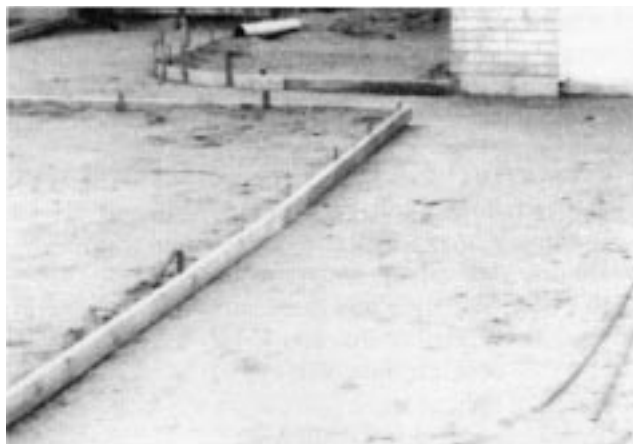
This phase of the project includes the construction of driveways, sidewalks, curbs, gutters, and ground supported concrete or asphalt floors. Also included is the application of sealant for driveways.

OPERATION	CLASS
Flatwork by general contractor	0217
Flatwork by specialty contractor	0217
Brick or natural stone inlay for flatwork	0302

Note: Classification 0214 would apply to the construction of driveways, sidewalks, curbs, and gutters when performed as part of a street or road construction project.



Finished driveway



Forms for driveway



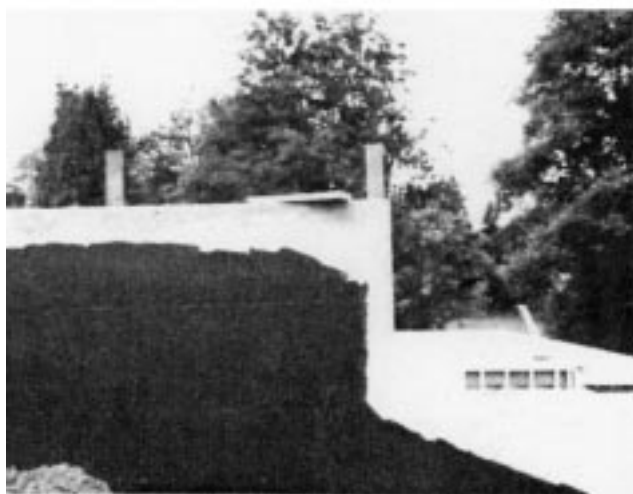
Brick inlay

V. Foundation Waterproofing

There are several application processes used in foundation waterproofing, including brush, roller, spray coating, membrane and epoxy or pressure injection. The classification assigned is the same irrespective to the contractor performing the work.

OPERATION	CLASS
Excavation	0101
Application of waterproof material	0504

Note: Classification 0101 would apply to a contractor when a back hoe is used to remove dirt away from the foundation wall or to push it against the wall after material is applied. Classification 0101 is to apply only to this excavation part of the activity.



Application of waterproofing to foundation